

*Administration of Barack H. Obama, 2009*

## **The President's News Conference With President Lee Myung-bak of South Korea**

*June 16, 2009*

*President Obama.* Good morning, everybody. President Lee, on behalf of the American people, it is my pleasure to welcome you to Washington. *Hwan yong hamnida.*

*President Lee.* Thank you.

*President Obama.* I'm looking forward to continuing our conversation over lunch, and I know that First Lady Michelle Obama is very much delighted to host your wife today as well.

The Republic of Korea is one of America's closest allies. Our friendship has been forged through a history of shared sacrifice, and it is anchored in our shared democratic values. And, Mr. President, I'm pleased that the friendship between our countries has only grown stronger under your leadership.

We meet at a time of great challenges. On the Korean Peninsula, North Korea has abandoned its own commitments and violated international law. Its nuclear and ballistic missile programs pose a grave threat to peace and security of Asia and to the world. In the face of these threats and provocations, the people of the Republic of Korea have shown a steadiness and a resolve that has earned the respect of the United States and of the world.

Today President Lee and I reiterated our shared commitment to the complete denuclearization of the Korean Peninsula. We have reaffirmed the endurance of our alliance and America's commitment to the defense of the Republic of Korea. And we discussed the measures that we are taking with our partners in the region, including Russia, China, and Japan, to make it clear to North Korea that it will not find security or respect through threats and illegal weapons.

That united international front has been on full display since North Korea's ballistic missile test in April and was further galvanized by its recent nuclear test. On Friday the United Nations Security Council unanimously adopted a resolution that called for strong steps to block North Korea's nuclear and ballistic missile programs. Now we must pursue a sustained and robust effort to implement this resolution together with our international partners. And in addition to the Korean Peninsula, we are committed to a global effort to pursue the goal of a world without nuclear weapons, an effort that I will be discussing later this summer in Moscow and at the G-8.

So I want to be clear that there is another path available to North Korea, a path that leads to peace and economic opportunity for the people of North Korea, including full integration into the community of nations. That destination can only be reached through peaceful negotiations that achieve the full and verifiable denuclearization of the Korean Peninsula. That is the opportunity that exists for North Korea, and President Lee and I join with the international community in urging the North Koreans to take it.

President Lee and I also discussed our efforts to confront the global economic crisis. Earlier this year in London, we agreed upon bold and sustained action to jumpstart growth and to prevent a crisis like this from never happening again. Today we reaffirmed this effort as well

as our commitment to resist protectionism and to continue our close collaboration in the run-up to the next meeting of the G-20 in Pittsburgh.

In addition to taking immediate action to put our economies on the path to recovery, both President Lee and I want to build a foundation for new prosperity. In particular, we believe that the United States and the Republic of Korea can partner together on behalf of clean energy and sustainable growth, so that we're working together to build the jobs and the industries of the future.

Finally, I think it's important to note that we are releasing a joint statement laying out a shared vision for our alliance in the 21st century. Our friendship has often, understandably, focused on security issues, particularly in Northeast Asia. But we're also committed to a sustained strategic partnership with the Republic of Korea on the full range of global challenges that we're facing, from economic development to our support for democracy and human rights, for—from nonproliferation to counterterrorism and peacekeeping.

The challenges of our young century can only be met through partnership, and the United States is honored to partner with the Korean people. We will be resolute in the defense of our security. We will collaborate on behalf of innovation and opportunity. And we will strengthen and deepen the friendship among our people. That's our commitment as friends and allies, and I look forward to working with President Lee on behalf of a more peaceful and prosperous future in Asia and around the world.

Thank you so much.

*President Lee.* Thank you.

Today President Obama and I—and the people of the United States have extended to us their warmest welcome, and I would like to thank them sincerely. President Obama and I met last time in April in London, during the sidelines of the G-20, and today is our second meeting.

During my talks with President Obama, we had a very substantive talks. We, of course, talked about the security situation surrounding the Korean Peninsula, but also about the future of our Korea-U.S. alliance and our joint vision for this future. And of course, we have agreed on the joint vision for the future, and I think this is a testament of our common commitment, because for the last 60 years since the Korean war, our relationship has been one of a strong security alliance and a partnership. Now, the future in this new era is about not only strengthening our mutual partnership, but also working together side by side to tackle issues of global concern.

And on that regard, I am extremely pleased to note that today is a meaningful and very significant day for Korea-U.S. alliance, of really upgrading to a new plateau our relationship and partnership. I take this opportunity to sincerely thank the great people of America for their selfless sacrifice in defending my country and its people, and on behalf of the Korean people, thank you.

As reiterated by President Obama, we agreed that under no circumstance are we going to allow North Korea to possess nuclear weapons. We also agreed to robustly implement U.N. Security Council Resolution 1874, and of course, all parties will faithfully take part in implementing this resolution.

Also, we agreed that based on the firm cooperation between the U.S. and Korea, the five countries taking part in the six-party talks will discuss new measures and policies that will effectively persuade North Korea to irrevocably dismantle all their nuclear weapons programs.

President Obama reaffirmed this firm commitment toward ensuring the security of South Korea through extended deterrence, which includes the nuclear umbrella, and this has given the South Korean people a greater sense of security.

President Obama and I also talked about the KORUS FTA and welcomed the initiation of working-level consultations to make progress on the issues surrounding the KORUS FTA and agreed to make joint efforts to chart our way forward on the agreement.

I also took time to invite President Obama to visit South Korea. And I also conveyed to him our warmest gratitude on behalf of the Korean people to the people of America. Once again, I'm very pleased to note that he and I engaged in very constructive discussions, and I'm very pleased with the results.

Once again, I thank President Obama and the people of the United States. Thank you.

*President Obama.* Okay, we've got time for a couple of questions. Scott Wilson at the Post [Washington Post].

### *North Korea*

*Q.* Thank you, Mr. President. North Korea has said it should be recognized as a nuclear power, and it has set that as a precondition for normal relations with the United States and with other nations. Given its belligerent response to the recent sanctions and the indigenous nature of its nuclear program, does your administration—is it coming to the realization that recognizing North Korea as a country that's going to have nuclear weapons for a long time is one way to go? And if so, what influences does that have on your policy options?

And to President Lee, do you believe your country is currently under threat of attack from the North given its recent rhetoric? Thank you.

*President Obama.* We have continually insisted that North Korea denuclearize. The Republic of Korea agrees with this position. Other allies, like Japan, agree with this position. China and Russia agree with this position. The United Nations Security Council reflects this view. We will pursue denuclearization on the Korean Peninsula vigorously.

So we have not come to a conclusion that North Korea will or should be a nuclear power. Given their past behavior, given the belligerent manner in which they are constantly threatening their neighbors, I don't think there's any question that that would be a destabilizing situation that would be a profound threat to not only the United States security, but to world security.

North Korea also has a track record of proliferation that makes it unacceptable for them to be accepted as a nuclear power. They have not shown in the past any restraint in terms of exporting weapons to not only state actors, but also non-state actors.

So what we've said is, is that there is a path for North Korea to take in which they are joining the world community, becoming integrated into the world economy, able to feed their own people, able to provide prosperity for their people. I know that the Republic of Korea welcomes that kind of neighbor. And obviously, there's a strong historic bond between the Korean peoples that should be affirmed. But in order to take that path, North Korea has to make a decision and understand that prestige and security and prosperity are not going to come through the path of threatening neighbors and engaging in violations of international law.

*President Lee.* Right now, North Korea, there was a question about whether we fear an imminent attack by North Korea. Sixty years ago, North Korea invaded South Korea and they

began a war. After that, there were numerous amount of threats leveled against South Korea ever since. However, South Korea, we have always been very firm in our response and always prepared. And of course, this is based firmly on the firm cooperation and partnership and alliance between Korea and the United States. And North Koreans, when they look at the firm partnership and alliance that we have between our two countries, they will think twice about taking any measures that they will regret.

And again, this very firm alliance that we have between the United States and Korea is going to prevent anything from happening. And of course, North Korea may have—may wish to do so, but of course, they will not be able to do so.

### *Six-Party Talks*

Q. [*Inaudible*]*—*from Korea's Yonhap News Agency. A question going out to President Lee. North Korea recently said that they will not return to the six-party talks. They have denounced the U.N. Security Council resolution and said they will not give up their nuclear weapons program. Can you, sir, talk about if—whether you talked about how you plan to proceed forward, and did you talk about this with President Obama?

And of course, their continuing threat emanating from North Korea—a South Korean worker has been and is still detained by the North Koreans. What are your thoughts about the maintenance of the Kaesong industrial complex, and did you talk about—President Obama—or were there any concerns from the Americans about the Kaesong industrial complex?

*President Lee.* North Korea has been resisting, and they've reacted aggressively to the new U.N. Security Council resolution, which is quite expected. And of course, the North Koreans may react by firing another round of missiles or taking actions. We can also expect that from them as well. However, North Koreans must understand that they will not be able to gain compensation by provoking a crisis. This has been a pattern in the past, but this will no longer be. The firm U.S.-Korea cooperation and alliance will not allow that. And the recent Security Council resolution is not simply about words; it is about taking follow-up action and vigorously implementing the U.N. Security Council resolution. And we'll make sure that we fully implement the U.N. Security Council resolution.

Like I said, the North Koreans must understand that their past behavior will not stand. And of course, not only the U.S.-Korea close partnership, but Japan, China, and the rest of the international community will take part in this effort. And now the North Koreans will come to understand that this is different, that they will not be able to repeat the past or their past tactics and strategies. I urge the North Koreans to fully give up their nuclear weapons programs and ambitions and to become a responsible member of the international community.

With regards to the Kaesong industrial complex, the North Korean authorities are demanding unacceptable demands, and we will not accept such demands being laid out by the North Koreans. Of course, the South Korean Government is very much for maintaining the Kaesong industrial complex because the Kaesong industrial complex is a channel of dialog between the two Koreas. And also, another fact that we must not overlook is the fact that there are 40,000 North Korean workers currently working in Kaesong industrial complex. If the Kaesong industrial complex were to close, these 40,000 North Korean workers will lose their jobs.

And therefore, I ask that—I urge the North Koreans not to make any unacceptable demands, because we cannot really know what will happen if they continue on this path. And also the North Koreans have been detaining a South Korean worker. They haven't been giving

us any explanation, and also we know that there are two American journalists being currently held by the North Koreans. I urge the North Koreans to release not only the two American journalists, but also the South Korean worker, without any conditions, to release them as soon as possible. The international community is asking the North Koreans to take that path. And once again, I urge in the strongest terms that they release these two American journalists, as well as the Korean worker being held.

### *United Nation Sanctions Against North Korea*

*President Obama.* Chip [Chip Reid, CBS News].

Q. Thank you, Mr. President. Since it's such a pleasant day, I was hoping you'd consent to let me ask two questions. The first one, on reports that there's a new policy on intercepting North Korean ships at sea, if you could say anything about that. And are you concerned that that could provoke North Korea to new levels, higher levels of hostility?

*President Obama.* Well, this is not simply a U.S. policy; this is a international policy. This was part of what the Security Council resolution calls for, is the interdiction of arms shipments. How that's going to be implemented, how we approach cooperation between various countries to enforce this, is something that the United States, South Korea, China, Russia, all relevant actors—Japan—all relevant actors will be discussing in the months to come.

But I want to emphasize something that President Lee said. There's been a pattern in the past where North Korea behaves in a belligerent fashion, and if it waits long enough, is then rewarded with foodstuffs and fuel and concessionary loans and a whole range of benefits. And I think that's the pattern that they've come to expect.

The message we're sending—and when I say "we," not simply the United States and the Republic of Korea, but I think the international community—is we are going to break that pattern. We are more than willing to engage in negotiations to get North Korea on a path of peaceful coexistence with its neighbors, and we want to encourage their prosperity. But belligerent, provocative behavior that threatens neighbors will be met with significant, serious enforcement of sanctions that are in place.

And I think it may not have been fully acknowledged the degree to which we have seen much tougher sanctions voted out unanimously, in fairly rapid order, over the last several weeks. And I expect that that signals the degree to which we're serious about enforcement.

### *U.S. Financial Regulatory System Oversight*

Q. And secondly, Mr. President, tomorrow you're going to be rolling out your financial regulation plan. And I know you're not going to want to step all over what you're going to say tomorrow. However, we do know from your advisers that you plan to recommend the creation of a new agency, the Consumer Financial Protection Agency. So you'll have the CFPB, you've got the Fed, the SEC, the FDIC, and on and on; it's like alphabet soup. Why did you decide not to consolidate agencies, but instead to add to the agencies? Isn't too many agencies part of the problem?

*President Obama.* You're right; I don't want to step on my announcement tomorrow. So let me just speak in broad principles, and then tomorrow you'll have a chance to ask questions of the administration about exactly what we've proposed.

The broad principle is that a lack of oversight, a series of regulatory gaps allowed financial institutions—not just banks, but non-bank institutions—to engage in wild risk-taking that didn't

simply imperil those institutions, but imperiled the United States economy and had a profound recessionary effect on the world economy. We have to make sure that we've got a updated regulatory system—that hasn't been significantly changed since the 1930s—to deal with enormous global capital flows and a range of new instruments and risk-taking that has been very dangerous for the American people.

We are going to put forward a very strong set of regulatory measures that we think can prevent this kind of crisis from happening again. We expect that Congress will work swiftly to get these laws in place. I want to sign them, and we want to get them up and running.

And I think when you see the overall approach that we're taking, you'll see that we have not, in fact, added a whole host of regulatory agencies. In fact, there's going to be streamlining, consolidation, and additional overlap so that you don't find people falling through the gaps, whether it's on the consumer protection side, the investor protection side, the systemic risk that we need to make sure is avoided, on all those issues that's going to be a much more effectively integrated system than previously.

But it's going to be, as usual, a heavy lift, because there are going to be people who want to keep on taking these risks, counting on U.S. taxpayers to bail them out if their bets go bad. And you'll hear a lot of chatter about, "we don't need more regulation" and "government needs to get off our backs." There's a short memory, unfortunately, and I think that's what some of the special interests and lobbyists are going to be counting on, that somehow we've forgotten the disaster that arose out of their reckless behavior. And I'm going to keep on reminding them so we make sure that we get something in place that prevents this kind of situation from happening again.

#### *South Korea-U.S. Free Trade Agreement*

Q. Kim—[inaudible]—from Korea's YTN. A question going out to President Obama. You spoke about how the two leaders, you agreed to move forward the KORUS FTA. However, in certain segments of—here in the United States, there are calls that are resistant to the KORUS FTA because of automobile issues and others. And of course, there are calls for proponents of the KORUS FTA. When do you expect to submit the KORUS FTA? Are you willing to submit it sometime this year?

President Obama. One of the things that President Lee and I discussed in London, not just bilaterally, but with other world leaders, is the importance at a time when the global economy has been devastated by recession that we do not resort to protectionist measures, that we continue to affirm the importance of free trade between countries in order to—everyone's prosperity.

Now, as you know, trade negotiations are always difficult between any country because, although over time trade can increase prosperity for all, in the short term, various industries want to know how is this going to affect them.

In Korea there are issues of beef imports. In the United States there are questions about whether there's sufficient reciprocity with respect to cars. These are all understandable, legitimate issues for negotiation. What I've done is to affirm to President Lee that we want to work constructively with the Republic of Korea in a systematic way to clear some of these barriers that are preventing free trade from occurring between our two countries.

Once we have resolved some of the substantive issues, then there's going to be the issue of political timing and when that should be presented to Congress. But I don't want to put the

cart before the horse—I don't know if that's an expression in Korean. But we want to make sure that we have the—a agreement that I feel confident is good for the American people, that President Lee feels confident is good for the Korean people, before we start trying to time when we would present it. But I am committed to moving forward on a path that will increase commercial ties that are already very strong between our two countries.

Okay. Thank you very much, everybody.

### *Election in Iran*

Q. Iran? On Iran?

*President Obama.* It was only, let's see, I think 7 hours ago or 8 hours ago when I—I have said before that I have deep concerns about the election. And I think that the world has deep concerns about the election. You've seen in Iran some initial reaction from the Supreme Leader that indicates he understands the Iranian people have deep concerns about the election.

Now, it's not productive, given the history of U.S.-Iranian relations, to be seen as meddling—the U.S. President meddling in Iranian elections. What I will repeat, and what I said yesterday, is that when I see violence directed at peaceful protestors, when I see peaceful dissent being suppressed, wherever that takes place, it is of concern to me, and it's of concern to the American people. That is not how governments should interact with their people.

And my hope is, is that the Iranian people will make the right steps in order for them to be able to express their voices, to express their aspirations. I do believe that something has happened in Iran where there is a questioning of the kinds of antagonistic postures towards the international community that have taken place in the past, and that there are people who want to see greater openness and greater debate and want to see greater democracy. How that plays out over the next several days and several weeks is something, ultimately, for the Iranian people to decide. But I stand strongly with the universal principle that people's voices should be heard and not suppressed.

Okay? All right. Thank you, guys.

NOTE: The President's news conference began at 11:40 a.m. in the Rose Garden at the White House. In his remarks, the President referred to Kim Yoon-ok, wife of President Lee; and Supreme Leader Ali Hoseini-Khamenei of Iran. President Lee referred to Yu Song-jin, a South Korean worker at the Kaesong industrial complex in North Korea, who has been held by North Korean authorities since March 30, 2009; and American journalists Enna Lee and Laura Ling, who have been held by North Korean authorities since March 17, 2009. President Lee and some reporters spoke in Korean, and their remarks were translated by an interpreter.

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efforts; Employment and unemployment : Job creation and growth; Energy : Alternative and renewable sources and technologies; Iran : Democracy and human right issues; Iran : Presidential election, 2009; Iran : Supreme Leader; North Korea : Ballistic missiles, testing; North Korea : International and U.S. sanctions; North Korea : International assistance; North Korea : Nuclear weapons development; North Korea : Nuclear weapons technology and material, exports; North Korea : Six-party talks; North Korea : U.N. Security Council resolutions, noncompliance; South Korea : Energy cooperation with U.S.; South Korea : Free trade agreement with U.S.; South Korea : President; South Korea : Relations with U.S.; Terrorism : Global threat; United Nations : Security Council.

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